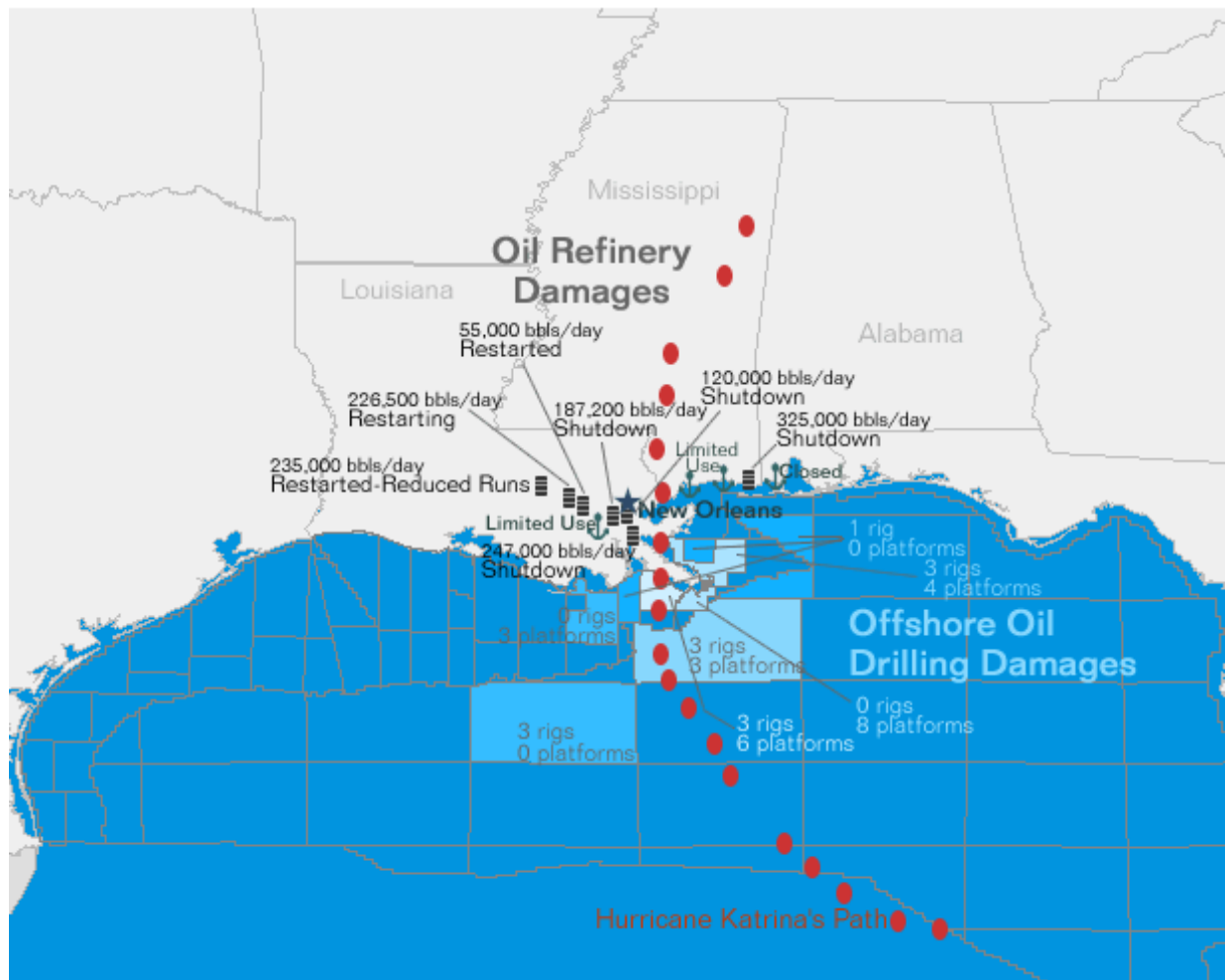


Committee on Ways and Means

Hurricane Katrina Update: Energy Situation



Map provided by Dept. of Energy, Energy Information Administration and iMapData Inc., 9/13/2005

Energy Markets and Hurricane Katrina

Oil

- Oil prices for October contracts continue to decline and reached \$63.33/barrel on September 12, 2005. Oil prices had touched \$70/barrel in the first week of September.
- Oil production in the Gulf is currently reduced by 847,000 barrels per day, relative to normal production of 1.5 million barrels per day; (this is referred to as 56 percent “shut in”). As a comparison, oil production had been reduced by 1.4 million barrels per day (95 percent shut in) on August 30, 2005. Total Gulf oil production is 29 percent of total U.S. production.

Refining

- The Gulf Region normally has the capacity to refine 8 million barrels a day, 47 percent of total U.S. refining capacity. As of September 12, 2005, the Department of Energy reports that U.S. refining capacity is expected to be reduced by 5 percent “for an extended period of time” due to the shutdown of four large refineries in the Gulf.

Gasoline

- Gasoline prices spiked in the days following Hurricane Katrina but have now dropped back considerably. On September 12, 2005, the Department of Energy reported that average gasoline prices declined 11 cents from the previous week but remain 34 cents above their pre-Katrina level (\$2.61/gallon) Gasoline inventories are relatively low.

Natural Gas

- Natural gas prices for October contracts have also declined from their post-Katrina high. On September 12, 2005, prices declined \$0.36 per million Btu to \$10.67, but remain \$0.84 above the pre-Katrina level.
- Shut in Gulf region natural gas production is 3.7 billion cubic feet per day (37 percent of total Gulf production capacity). In comparison, 88 percent of Gulf natural gas production had been shut in immediately following Katrina. Total lost production since Hurricane Katrina made landfall is 2.6 percent of total Gulf area production.

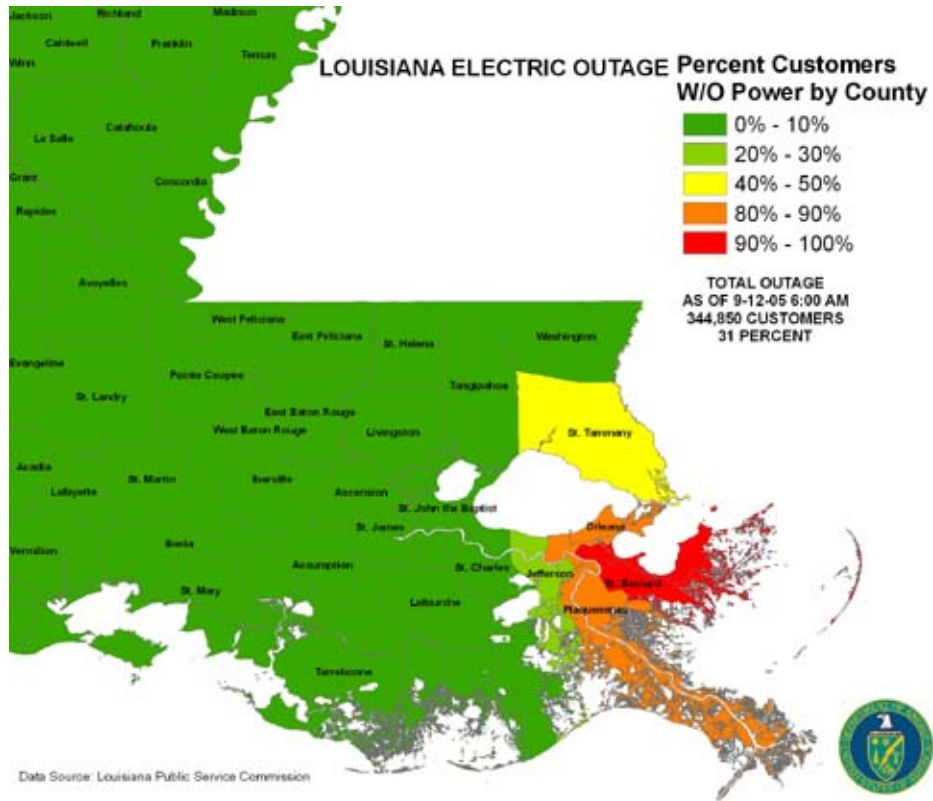
Ports and Pipelines

- The two major petroleum pipelines in the region are now running at 100 percent capacity. The Louisiana Offshore Oil Port (LOOP) is expected to be 100 percent operational by the end of the week. The LOOP typically handles 10 percent of all U.S. oil imports.

Local Electrical Power Situation

- 436,000 customers remain without electricity in Louisiana and Mississippi as of September 13, 2005. This is down from 2.7 million customers without electricity immediately following Katrina. 176,000 customers in Orleans Parish (86 percent of total) remain without power. 31 percent of Louisiana residents are without power, as are 6 percent of Mississippi residents.

Electrical Power Outages in Louisiana (as of September 12, 2005)



Oil and gas production in response to Hurricane Katrina (off-line production as a percentage of total normal daily production)

	Shut in oil	Shut in gas
29-Aug	92%	83%
30-Aug	95%	88%
31-Aug	91%	83%
1-Sep	90%	79%
2-Sep	89%	72%
3-Sep	80%	58%
5-Sep	70%	54%
6-Sep	58%	42%
7-Sep	57%	40%
8-Sep	60%	40%
9-Sep	60%	38%
10-Sep	60%	38%
12-Sep	57%	38%
13-Sep	56%	37%

Source: U.S. Minerals Management Service

Energy Commodity Prices

